Zeszyty Naukowe
Wydziału Zarządzania GWSH
Nr 19/2022, s. 24 - 37
DOI: 10.53259/2022.19.03

ISSN 2451-4535

Magdalena Ogórek
Uniwersytet Ekonomiczny w Krakowie,
Kraków, Polska
e-mail: magdalena.ogorek@phd.uek.krakow.pl

THE NEED FOR THE EUROPEAN SINGLE MARKET

KONIECZNOŚĆ UTWORZENIA JEDNOLITEGO RYNKU EUROPEJSKIEGO

Keywords: European Integration, European Single Market, Capital Market Union, CEE, transitional emerging countries
Słowa kluczowe: *Europejska Integracja, Jednolity Rynek Europejski, Unia Rynków Kapitałowych, CEE, europejskie kraje postkomunistyczne*

Abstract
The European Single Market (ESM) and the CMU (Capital Market Union) are perceived to be decisive powers of the European Union (EU), key strategic objectives, cornerstones of European Integration, and the EU's sustainable growth. The article contains review of the research regarding the ESM and CMU. It covers a period of three decades, that is from the establishment of the ESM until the present day (2022). It is supplemented with the regional literature, including national. Reasons for the introduction of the ESM and CMU were presented, along with the way of their establishment, and the current state of their advancement. Also, their problematic areas, obstacles, and barriers to their completion were introduced. Amidst, numerous difficulties resulting in the EU market fragmentation, and segmentation. Followed by, legal duality, lack of harmonization of capital; markets' regulation and supervision, the enduring divide between Old- vs. New-EU (Western EU vs. CEE), national macro-economic specificities, and other local particularities (cultural, legal, etc.). In the article, the above-mentioned issues were also broadly considered from the perspective of the Member States from the CEE region. The comparison between Old- vs. New-EU regarding the ESM, and CMU is conducted. The conclusion is that the ESM, and CMU are crucial for the EU's growth and would extensively bring benefits to the European Community. Yet, further advancement in their completion is decisive, as achieving full benefits is only feasible after overcoming diagnosed obstacles and removing identified barriers.

Streszczenie
Jednolity Rynek Europejski (ESM) i Unia Rynków Kapitałowych (CMU) są uważane za decydujące składniki potencjału i funkcji Unii Europejskiej (UE), jej cele strategiczne, fundamenty i spoiwa integracji europejskiej oraz filary zrównoważonego wzrostu gospodarczego. W artykule dokonano przeglądu międzynarodowej literatury obszarów tematycznych ESM i CMU, od momentu formowania ESM do doby obecnej (2022r.), tj. okres trzech dekad, uzupełniając literaturą regionu, w tym krajową. Przedstawiono przyczyny przyjęcia ESM i CMU, sposób ustanowienia i ujęte treści, obecne stadium zaawansowania ich wdrażania oraz obszary problematyczne, bariery, przeszkody dla ich sfinalizowania. Wśród zidentyfikowanych barier wskazano fragmentaryzację i segmentację rynku UE, dualizm prawa, brak harmonizacji regulacji prawnych i nadzoru rynków kapitałowych, utrzymujący się rozłam pomiędzy Starą i Nową UE (Europa Zachodnia vs. Środkowo-Wschodnia), krajową specyfikę makroekonomiczną oraz inne swoistości o lokalnej naturze (kulturowe, prawne itp.). Zagadnienia te dodatkowo rozpatrywane są z przyjęciem perspektywy Państw Członkowskich z regionu CEE. Dokonano porównania Starej i Nowej UE w odniesieniu do ESM i CMU. Przedstawiono konkluzję, że ESM i CMU są kluczowe dla rozwoju

UE i mogą przynieść korzyści Wspólnocie Europejskiej. Jednakże, decydujący będzie dalszy postęp w ich finalizacji, gdyż osiągnięcie pełnych pożytków jest możliwe dopiero po przezwyciężeniu zdiagnozowanych przeszkód i usunięciu zidentyfikowanych barier.

INTRODUCTION

The European Single Market (ESM) is a source of extensive macro-economic benefits for the European Union (EU, [Eurostat 2022a; EC 2022]), its Member States, and the European Community as a whole [Mion and Ponattu 2019; Ilzkovitz *et al.* 2007]. Its strategies were established to serve the EU economy and the European society, being a decisive power of the EU and the key strategic objective [Monti 2010b; Pelkmans 2019]. Also, the cornerstone of European Integration and the EU's sustainable growth [Barroso 2010; Micossi 2016; Aussilloux *et al.* 2011]. Nonetheless, its full potential and benefits have not been delivered yet [Micossi 2016; Ilzkovitz *et al.* 2007; Monti 2010a]. The primary expectation for it, so to act as a stimulus for establishing a more dynamic, innovative, competitive economy at the global level, are not fully materialized yet [Ilzkovitz *et al.* 2007]. Also, the CMU is one of ESM's core elements, whose role cannot be taken over by any other ESM segment [EC 2020b; Bhatia *et al.* 2019a].

In the article, international English-language literature research regarding the ESM and CMU was conducted. It covered a period of three decades, that is from the establishment of the ESM until the present day (2022). It was supplemented with the regional literature, including national. The aim of the paper is to outline reasons for the introduction of the ESM and CMU were presented, along with the way of their establishment, and the current state of their advancement. Also, their problematic areas, obstacles, and barriers to their completion were introduced. Amidst, numerous difficulties resulting in the EU market fragmentation, and segmentation. Followed by, legal duality, lack of harmonization of capital; markets' regulation and supervision, the enduring divide between Old- vs. New-EU (Western EU vs. CEE), national macro-economic specificities, and other local particularities (cultural, legal, etc.). In the article, the above-mentioned issues were also broadly considered from the perspective of the Member States from the CEE region. The comparison between Old- vs. New-EU regarding the ESM, and CMU is conducted.

The conclusion is drawn, that the ESM, and CMU are crucial for the EU's growth and would extensively bring benefits to the European Community. Yet, further advancement in their completion is decisive, as achieving full benefits is only feasible after overcoming diagnosed obstacles and removing identified barriers. Another conclusion was drawn regarding regional (CEE) and national level. The diagnosed significant divergence in ESM's induced welfare gains cross-countries and cross-region must be mitigated promptly [Mion and Ponattu 2019]. Also, the employment of strategies, acknowledging the specificity of the CEE countries and their markets is crucial [Skare and Porada-Rochoń 2019; Iorgova and Ong 2008; EBRD 2019; Baele *et al.* 2015]. CEE- specific challenges regarding the ESM, CMU, shall be targeted with adequate strategies [Bhatia *et al.* 2019a; Vienna Initiative 2018; Vienna Initiative 2017; Lehmann 2020; Reiserer 2019]. The assumption stemming from the review, is that forming a competitive, integrated, profound, liquid European capital market shall be a priority, as it aims to uphold the current EU as one of the uppermost two financial centers of the world [Next CMU HLG 2019]. The consequent postulation is the urge to address identified barriers and obstacles, as they are what endure to disable the ESM and CMU to act as forceful growth engines and prevent them from delivering the benefits idiosyncratic for the single market [COM/2010/2020 final 2010; Ilzkovitz *et al.* 2007; Wieser 2020; HLF CMU 2020; Next CMU HLG 2019].

TOWARDS THE EUROPEAN SINGLE MARKET

The single market in the EU is a concept of a European common market with a profound outreach, thus truly making the EU one territory, without borders or other obstacles to the free movement of capital, services, goods, and people [COM/2011/0206 final; COM/2012/0573 final; EC 2020c; COM/85/310 final (Vol.1985/0130) 1985]. The Treaty of Rome establishing the European Economic Community constituted this view on comprehensive economic integration, with a focus on removing barriers to building a common internal market [EC 2020a; Europäische Wirtschaftsgemeinschaft 25.03.1957]. The formalized program for the single market in Europe was launched in 1985, when European Council endorsed the White Paper, expressing the European Commission's will and commitment to complete the EU internal market [COM/85/310 final (Vol.1985/0130) 1985]. It was followed by related legislation of the late 80s and 90s on the internal market, which has put in place the ESM [Micossi 2016]. Then, a further build-up with 2000s legislation and regulatory activities, altogether allowing for enormous progress [Micossi 2016]. Multifarious fields of the ESM (as of the all-encompassing nature of the ESM) and a multitude of related considerations have been subjects of multidiscipline research interest in academia, administration, and private-sector [Brülhart and Elliott 1998; Duisenberg 31.05.2011; Leonardi 1993; Lannoo 2001; Pelkmans 2019; Fligstein 2001; Fligstein and Mara-Drita 1996; Streeck and Schmitter 1991].

The ESM and its strategies were established to serve the EU economy and the European society [Monti 2010a]. Phenomena of the 'European Identity' and 'European Community' are commonly recognized concepts and backbones of the European Union's (EU) activities, though there are instances partially decelerating their full realization [Capello 2018; Chacha 2013; Caporaso and Kim 2009; Bruter 2005; Bruter 2005; Figlestein *et al.* 2012; Dunford 1993; Europäische Wirtschaftsgemeinschaft 25.03.1957]. The intensity of European integration (EI) is increasing rapidly, especially with the economic integration advancing faster and further over the past decades [Checkel and Katzenstein 2011; Monti 2010a]. That integration regards many layers, such as institutional, political, legal, regulatory, technological, and socio-cultural along with countries' attitudes toward them [Tucker *et al.* 2002]. Waves of enlargements of the EU (increase in EU membership in given years in clusters [European Parliament 2022]) were followed each by broadening and intensifying of the EI [Campos *et al.* 2019]. The European Community exhibited regional disparity and heterogeneity even before the accession of the CEE countries, with a divide between more and less developed regions (then, Greece, Portugal, Spain, and Ireland), with a regionally divergent response to the EU Single Market [Leonardi 1993]. However, the degree and type of the EU integration alter across territories and over time [Campos *et al.* 2019]. Also, there were gaps diagnosed in the fields already covered by the ESM-related legislation, that persists, and market integration has become stagnant, motionless, or deadlocked in many areas [Micossi 2016]. EI dynamics experienced a deep alteration post passage of the Single European Act and the agreement to establish the ESM by 1993 [Leonardi 1993].

"EU after the fall of the wall". The cee region accesses the EU

The EI processes grew more in complexity with the gradual, further EU enlargements [European Parliament 2022; Eurostat 2022b]. Especially the complicatedness of accession processes of post-Soviet emerging countries (transitional, post-communist [EBRD 1997; EBRD 2019; Tucker *et al.* 2002; Wyplosz 1999; World Bank 1996; Lenain 2000; Skare and Porada-Rochoń 2019]), that constitutes the CESEE/CEE region ('New-EU, 'EU-11', Trimarium [FESE 2018; Grela *et al.* 2017; Lehmann 2020; Popławski and Jakóbowski 2020]). The 'EU after the fall of the wall' [European Parliament 2022], was debated due to challenges that the EU would face with the course of EU-CEE's integration processes [Tang 2000]. Transitional emerging markets (TEMs) are a separate, distinct research area, also regarding fundamentals, s.a. economic and financial development, capital market advancement, exhibiting high regional and national granularity, specificity [Skare and Porada-Rochoń 2019; Iorgova and Ong 2008; EBRD 2019]. There were novel challenges identified considering TEMs accession to the EU and consequences regarding EU integration [Tang 2000]. Each emerging market shall formulate its own, unique path toward development [OECD DC 2018; OECD 2018]. Likewise, need tailor-made, dedicated market-oriented growth policies [World Bank 1996; Narayanaswamy *et al.* 2017].

TEMs are bound to employ dedicated, peculiar policies for local market development along with joint regional strategies to underpin development [Iorgova and Ong 2008; GPW 2020; OECD and MSZ RP 2016]. The actual efficiency of local capital markets in emerging countries varies greatly [Berggrun *et al.* 2017; Hoskisson *et al.* 2000], s.a. liquidity, ranging from flourishing to stagnation [Laeven 2014]. Emerging markets characterize with an excessive volatility of assets, inferior institutions and governance, insufficient investors' activity create obstacles for development on a global basis [Berggrun *et al.* 2017]. Particularly, this applies to the CEE region [Ivanitsky and Tatyannikov 2018]. The systemic post-Soviet transition of the region's economies influenced CEE markets deeply, cleaving them off from the general cluster of emerging economies and making them a heterogenic group, as stemming from different transition paths and their effects [World Bank 1996; EBRD 2005; EBRD 1997]. Market-oriented development strategies are transpiring into the region with increasingly acknowledgement of the uniqueness of ways how to foster successful local markets development, embracing country's specificities, regional individuality mixed with inner interdependence [Andritzky 2007; Grbić 2020; Iorgova and Ong 2008].

The CEE is vastly divergent and extensively underdeveloped as compared to the mature, developed Western EU countries (Old-EU), thus these national and regional specificities shall be taken under consideration in all steps of the EU convergence, integration, also employing the proportionality rule [Lehmann 2020; Alcidi *et al.* 2018; Redłowska 2017; Vienna Initiative 2017; Vienna Initiative 2018]. On the other hand, during the past twenty years, CTEMs average growth rate beats out the Old EU more than twofold [Grela *et al.* 2017]. Primarily it was induced by intense capital inflows (mainly FDIs) additionally boosted by in-depth market reforms and other carried out in the 90s transition-related processes [World Bank 1996; EBRD 2005]. Moreover, the accession to the EU countries was a driver of CEE's performance in the second millennium [Grela *et al.* 2017]. Economic reforms in the CEE, consequent establishment of local capital markets and their further development are interrelated [Morita 2017]. The 'Trimarium' (Three Seas Region, in Latin) has generated 15% of the EU GDP in 2004 and respectively 19% in 2018, with a 243% increase in trade turnover during this period and total capitalization of exchanges at the end of this period of 347 billion euros [Popławski and Jakóbowski 2020]. As of 2020 (EU-27), CEE makes up for 29% of the EU's territory, where 25% of the EU's population lives, generating 19% of the EU's GDP in PPP. High dynamism, growing economic potential of the region are evident considering EU statistical data. They can be sustained provided cooperation and connectivity in CEE and addressing the fact, that contrasting to this data, CEE represents only 10% of the EU's capital market [Popławski and Jakóbowski 2020; President of Poland 2020].

The single european act I and II

Three decades of the Single European Act in force, delivered a considerable advance in the European Integration via the establishment of the ESM, with an extensive advancement accomplished through legislative activities covering all key sectors of activity [Ilzkovitz *et al.* 2007; Aussilloux *et al.* 2011; Micossi 2016]. However, the condition of the EU economy endures far from pleasing [Micossi 2016]. Since the symbolic birth of the ESM, it has always been the 'cornerstone of Europe's integration and sustainable growth' [Barroso 2010; Micossi 2016; Aussilloux *et al.* 2011]. Nonetheless, even after decades, its full potential and benefits have not been delivered yet [Micossi 2016; Ilzkovitz *et al.* 2007]. It is as there are many bottlenecks, missing links disabling fragmented markets to act as a one, EU forceful growth engine and deliver the benefits idiosyncratic for the single market [COM/2010/2020 final 2010; Ilzkovitz *et al.* 2007]. ESM intends also to foster competition [Allen *et al.* 1998]. The ESM is a decisive power of the EU and the key strategic objective [Monti 2010b; Pelkmans 2019].

The empirical evidence on the ESM's benefits materialization is commonly, cyclically researched, reassessed, and revisited [Aussilloux *et al.* 2011; Ilzkovitz *et al.* 2007; In't Veld 2019; Mayer *et al.* 2019]. ESM benefits are appearing on both, country- and regional- levels [Mion and Ponattu 2019]. In general, ESM's three decades raised the EU's GDP and individual member states' GDP significantly [In't Veld 2019; Campos *et al.* 2019]. However, gains from ESM are strongly heterogenic cross-country and cross-regionally, with peripheral regions disadvantaged in welfare gains [Mion and Ponattu 2019]. Substantial progress in the EU's new Members market integration was accomplished, nonetheless, the process is distant from finalization [Aussilloux *et al.* 2011]. The ESM is perceived as one of the EU's highest achievements and a driver of economic growth, though in need of a systematic, integrated approach for fully-fledged ESM and efficacious monitoring [Barroso 2010; Ilzkovitz *et al.* 2007]. As an engine of growth it builds the global EU's competitiveness, stimulates trade, improves efficiency, builds resilience, and raises quality [EC 2020a; EC 2020c; Aussilloux *et al.* 2011].

The ESM as the EU's 'convergence promise' and 'convergence machine'

The adopted ESM Strategy is to unravel the full potential of the ESM which lies ' at the heart of the European project ' [EC 2020a; EC 2020c; Aussilloux *et al.* 2011]. It aims at regional economic and social development, though with unequal effects regarding dissimilar development stages [Leonardi 1993; Mion and Ponattu 2019]. The ESM's legislation and regulatory activities are only partial, with gap areas, market segmentation, and fragmentation [Micossi 2016]. Numerous benefits of its benefits are only fully feasible, provided ESM's entire, equal completion [Aussilloux *et al.* 2011]. European Commission has published another up-to-date assessment on how the ESM, concluding it shall be further, more intensely deepened (European Commission, 2018).

To materialize all potential ESM- related benefits, more initiatives are targeting persisting and surfacing challenges [In't Veld 2019; Pelkmans 2019; HLF CMU 2020; Mion and Ponattu 2019]. Full elimination of all EMS's obstacles may be unlikely, yet potential gains from its best-feasible completion are substantial, up to advancing the EU growth [Aussilloux *et al.* 2011]. The process of the ESM's creation is unique, as comprises both rational and socio-cultural components [Fligstein 2001]. After the Financial Crisis, the European Commission adopted the Single Market Act (I, II) to boost the European economy and strengthen stakeholders' confidence in it [COM/2011/0206 final; COM/2012/0573 final]. Confidence in the ESM ought to be improved to support the stimulation of economic growth and shared prosperity [EC 2018; COM/2011/0206 final]. Through ESM, the EU is a 'convergence machine', yet incurable cross-country diversity imposes great challenge for the EU's 'convergence promise' [Franks *et al.* 2018; Mion and Ponattu 2019; Alcidi *et al.* 2018], thus observation and counterbalancing divergence effects are a priority, with Convergence 2.0 to focus on businesses and people to facilitate further development [Alcidi *et al.* 2018].

The EU's Single Financial Market

Financial markets perform a significant role in the economic growth, also in the EU (unique economic and political union) [Duisenberg 31.05.2011; EC and DGC 2020]. Financial institutions and capital markets play unreplaceable, important roles in any developed economy [Kabza 2017]. Single Financial Market is a concept arising from the ESM, set to underpin EU-wide economic advancement and boost EU citizens' welfare [Duisenberg 31.05.2011]. It is capable of reformulating frameworks of financial markets in terms of both scope and attributes [Underhill 1997]. A genuinely integrated financial union reaps benefits from synergy effects, not just a simple sum of its elements [Thomsen 2018]. The EU law and financial system embraces indispensable parts and encompasses vast elements. It includes among others: currency-, budget-, fiscal stability-, tax-, insurance-, banking-, money- and capital market-related matters with related institutional infrastructure, legal and regulatory framework [Drwiłło and Jurkowska-Zeidler 2017; Almeida *et al.* 2019].

THE DEVELOPMENT OF AN INTEGRATED, PAN-EUROPEAN CAPITAL MARKET ORGANISM – THE CAPITAL MARKET UNION

The Capital Market Union (CMU) is one of ESM's core elements, whose role cannot be taken over by any other ESM segment [EC 2020b; Almeida *et al.* 2019]. Banking-based finance is complementary to market-based [Adamska 2019; Thomsen 2018]. Therefore an unbalanced financial system and over-banking are causing profound negative effects in the EU affecting also the real economy [Thomsen 2019; Deutsche Börse Group 2015]. In particular, assets are allocated unproductively due to uneven and split the EU financial sector, it may be a threat to sustainable growth, stability and resilience, suitable private risk-sharing, favorable financing conditions, innovation, pensions, investment [Bhatia *et al.* 2019a; S&P Global 2020; Almeida *et al.* 2019].

EU holds excessively strong corporate-, governmental- and household- bank-dependence. Total banking sector assets vs. GDP equal to 300 proc. in EU (85 proc. in the USA), as a result of relatively small capital markets, which impairs resilience and shock absorption. Capital market advancement and integration shall facilitate a 'healthy diversity' in EU finance [Thomsen 2019; Almeida *et al.* 2019]. Thus, CMU principles incorporate an increase of transparency, restoration of trust and confidence in markets, invigoration of market-based funding, bolster financial stability, the advancement of harmonization and convergence, orderly and efficient market ecosystem [Deutsche Börse Group 2015; FESE 2019]. Due to the coronavirus-caused economic crisis and Brexit, intense steps are taken by the European bodies to accelerate CMU, as a remedy for recovery and resilience. The development of integrated and large capital markets along with enabling access to market financing intends to facilitate recovery [Lannoo and Thomadakis 2019; COM/2020/590 final 2020]. The architecture of CMU will be redefined towards ‘ multi-spokes ’, as the ‘hub-and-spokes’ system can no longer be applied after Brexit [Bhatia *et al.* 2019a; HLF CMU 2020].

‘The CMU 2.0’ as a ‘New vision for Europe’s capital markets ’

Already in 2001, the idea of a Single Capital Market was accented [Lannoo 2001]. The CMU action plan was adopted in 2015, updated, and complemented in 2017 and 2019. In 2020 was revised and gained significant momentum [COM/2020/590 final 2020]. The CMU 2.0 is a “New vision for Europe’s capital markets” [HLF CMU 2020]. The CMU is capable to materialize resilient, robust, dynamic, global competitiveness of the EU capital market and sustained growth [EC 2019]. The CMU also can materialize a range of firm-level benefits [Almeida *et al.* 2019]. The structure of the financial landscape in the EU is changing, increasingly relying on market-based finance and CMU is expected to develop the cross-border dimension of investments [Pires 2019].

Only developed, robust, and efficient capital markets (debt, equity, related instruments) can perform their functions well [IFC 2016; Narayanaswamy *et al.* 2017]. Besides the US and China, the EU is the third largest world economy, representing 16% of world GDP as of 2017 in Purchasing Power Standards [Eurostat 2020]. However, its financial landscape is far from being comparable to the world’s most developed capital markets [Bhatia *et al.* 2019a; Pelkmans 2019]. To compete globally, as a developed single financial market, the EU must change this landscape [HLF CMU 2020]. It must integrate, grown tighter over the years to the model advanced financial market of the US (US market and its characteristics also serve as benchmarks in the CMU-related actions) [Delivorias 23.10.2020; Lannoo and Thomadakis 2019; FESE 2019; Bhatia *et al.* 2019b]. Country-risk premium is much lower in the US, than in the EU [Demertzis *et al.* 2021]. Listed equity in the EA (Euro Area, eurozone [Franks *et al.* 2018; Klaus and Ferroni 2015; Reuters 2020]) amounts to less than 70% of its GDP, in comparison to 170%. in the U.S. This means that not even 30% of EA’s nonfinancial companies’ liabilities are tradable instruments (with this ratio twice higher in the US EU-28). Likewise, risk sharing channels, nonfinancial corporations’ funding structure, and general market structure. Therefore, for the EU to be globally competitive, catching up along with possessing a Single Market formed by CMU is crucial [Bhatia *et al.* 2019a; Demertzis *et al.* 2021]. The CMU is a strategy to unlock and facilitate funding for the EU’s growth, so multiple legislative measures to build it, yet CMU is still in its early phase [EC 2020b; Thomsen 2019].

Barriers to the EU’s capital market integration

In the EU, capital market underdevelopment is apparent [Demertzis *et al.* 2021]. Barriers to capital market integration (identified by various market participants and regulators from EU countries) are shared by most of them [S&P Global 2020; Bhatia *et al.* 2019a]. Initial challenges prevail, along with the surfacing of new, nonetheless progress is evident [AFME 2020; Bahrke and Lupini 15.03.2019]. It is supported forcefully further by the new CMU Action Plan or the CMU 2.0 (‘rebranded CMU’ [Lannoo and Thomadakis 2019]) adopted to boost efforts for its completion [COM/2020/590 final 2020]. It formulates the key objective and ultimate goal of a ‘genuine EU-wide single market for capital’ to be achieved by established targeted measures [Ferrie and Apostola 2020, s. 1–2]. They address CMU barriers, bringing harmonization, convergence, consistency in regulatory and supervision, insolvency regimes, investor protection [Bhatia *et al.* 2019a; HLF CMU 2020]. Only a large integrated EU capital market may deliver the scale of benefits needed for recovery, growth, and global competitiveness [COM/2020/590 final

2020; Ferrie and Apostola 2020; FESE 2019]. However, CMU 2.0 has not been overly fruitful yet in capital markets unification [Demertzis *et al.* 2021]

Labeling major obstacles and weighing the perks and benefits of the CMU allows for policy actions targeting beleaguered spheres [Bhatia *et al.* 2019a; FESE 2019; Almeida *et al.* 2019]. EU capital markets are small, some shallow, narrow, and illiquid, with insufficient investor base, limited size and constant (or decreasing) number of PTCs, curbed efficiency of private risk-sharing and asset allocation [Lannoo and Thomadakis 2019; HLF CMU 2020; AFME 2020; Demertzis *et al.* 2021]. There are disparities and discrepancies, predominantly transparency (reporting, governance, corporate information), listing standards, market infrastructure, regulatory quality, insolvency practices, taxation, administrative procedures. It affects all elements of the life cycle of any security and breeds severe market fragmentation – EU capital markets are split along national lines [Bhatia *et al.* 2019a; COM/2020/590 final 2020; Almeida *et al.* 2019]. Complex set of multifaceted institutions and conjoining nexuses [Black 2001] is additionally heightened in respect of EU multi-markets architecture [Thomsen 2019; Vienna Initiative 2018].

There is also a legal and institutional dualism, caused by EU specificity – the simultaneous prevalence of *acquis communautaire* and national legal framework [Trubalski 2016] with an accompanying lack of single institutions (e.g. supervisory, regulatory) [Demertzis *et al.* 2021; Bhatia *et al.* 2019a]. Coexisting 'central and decentralized implementation and enforcement' [Pelkmans 2019, p. 2] along with the variable quality of NCAs (National Competent Authorities) is problematic [Bhatia *et al.* 2019a]. Market supervision in the EU is predominantly a competence of NCAs, as ESAs (European Supervisory Authorities) perform merely harmonizing roles, with limited jurisdiction [Bhatia *et al.* 2019a; Almeida *et al.* 2019; Demertzis *et al.* 2021]. European landscape characterizes itself with features heightening its complexity or disadvantaging integration, such as home bias, double layer institutional infrastructure, prevailing lack of convergence tools [Bhatia *et al.* 2019b; Bhatia *et al.* 2019a; Thomsen 2019; FESE 2019; Deutsche Börse Group 2015].

Those disparities and insufficiencies of legal and institutional preconditions for effective CMU and prerequisites needed for a strong securities market are noticed by stakeholders, making them reluctant to participate in the market [HLF CMU 2020; S&P Global 2020; Ferrie and Apostola 2020]. Such a landscape is generating uneven corporate funding costs and credit rationing, regulatory and supervisory polarities, absence of macroeconomic benefits (growth, resilience, stability), disheartening private-risk sharing, and impairing transparency, so is not delivering its supposed benefits to the Community [COM/2010/2020 final 2010; COM/2020/590 final 2020; AFME 2020; Deutsche Börse Group 2015; Demertzis *et al.* 2021; Almeida *et al.* 2019]. The European Parliament Research Service approximations presented potential benefits from the efficient CMU as 137 billion euros per year [EPRS 2019].

The CMU to be built on transparency, efficiency, competitiveness, and sustainability

Aspects associated with market transparency (integrity) are the top policy priorities of the CMU and ESM [Directive 2013/50/EU 2013; FESE 2019]. They are multilayered [Black 2001] and multidimensional [Lehmann 2020; Deutsche Börse Group 2015] transparency-related activities, mostly of European bodies [Bhatia *et al.* 2019a; AFME 2020; FESE 2019]. There is a corporate disclosure 'common language' initiative – European Single Electronic Format (ESEF) [ESMA 2020; C/2020/7535 2020], Single Rulebook, European System of Financial Supervision (ESFS) – to foster convergence, stronger and more integrated CMU [Next CMU HLG 2019; Ferrie and Apostola 2020].

Integration would result in a leveled playing field for market participants and stakeholders [EC 1.04.2019; EC 21.03.2020; Almeida *et al.* 2019]. Accessibility, availability, and usableness of market information are its fundaments [ESMA 2015; Directive 2013/50/EU 2013; Reg (EU) 596/2014]. The ESEF is a milestone for all market participants, as it provides structured datasets in human- and machine-readable format [ESMA 2020]. Creating a single access point would provide stakeholders with unified access to standardized information [COM/2020/590 final 2020; Bhatia *et al.* 2019a; Ferrie and Apostola 2020].

The completion of the CMU 2.0 means a true single market for capital [Wieser 2020]. Removal of barriers and obstacles for the CMU is 'indispensable in order to move Europe forward' [Wieser 2020, p. 2; Next CMU HLG 2019; Deutsche Börse Group 2015], accompanied by efforts and engagement of all stakeholders [Lannoo and Thomadakis 2019; HLF CMU 2020]. Acknowledgment of national and regional specificities and proportionality of solutions is essential, especially regarding CEE region [Redłowska 2017; Vienna Initiative 2018; Vienna Initiative 2017]. As the 'New-EU' is particularly affected by the unification and harmonization of market-related issues, CMU architecture, and ongoing convergence and consolidation. Targeted measures and policies shall be adapted for the CMU 2.0 completion in Emerging Europe [Lehmann 2020; Alcidi *et al.* 2018].

The' CMU is a step in the right direction'. Vienna Initiative. The CMU for the CEE region

The ' CMU is a step in the right direction ' [FESE 2018, 1]. Nonetheless to safeguard its accomplishment the key matter is a boost, an advancement of the development of so-called 'small(er) capital markets' (SMs) [Lehmann 2020; Vienna Initiative 2018]. SMs are markets with the dominance of SMEs and mid-caps or markets in jurisdictions determined to have frontier or emerging classification (with some exceptions) [FESE 2018]. Different from the 'Old-EU', CEE is dominated by SMs and both listed and non-listed SMEs [FESE 2018; SEG 2018]. Moreover, there are transitional-related imports and other specific socio-cultural features [EBRD 2019]. Capital markets of the TEMs are for long 'vastly undersized' [Wyplosz 1999, p. VI; Baele *et al.* 2015]. The advancement in their maturity is noticeable, yet the development as size, liquidity, global attractiveness, competitiveness, recognizability is not [Grela *et al.* 2017; Popławski and Jakóbowski 2020; Lehmann 2020; Vienna Initiative 2018]. The EU SMs are located in the CEE region, stocked with SMEs, having investment gaps, and market capitalization is more often than not - less than 20% of GDP or about17% of GDP on average [FESE 2018; Wosion-Czoba 2020]. This represents a ratio three times smaller than the EU's average, even less in comparison with Western Europe [Dietl 7.09.2020].

Each CEE country has an own stock exchange, but its size and liquidity are indisputably limited [Lehmann 2020; Vienna Initiative 2018; Demertzis *et al.* 2021]. CEE markets are fragmented, with diverse statuses in the Market Classification of global indices suppliers. Even aggregated as a region are still not enough recognizable and not sufficiently attractive for global investors [Dietl 7.09.2020; Wosion--Czoba 2020; Baele *et al.* 2015; Demertzis *et al.* 2021]. Therefore are many initiatives undertaken to foster local capital markets development in CEE countries and to take advantage of the catch-up potential of the region [Kamiński 2020; FESE 2018; Redłowska 2017]. EU institutions coordinated the establishment of the Vienna Initiative Working Group on CMU to target CEE underdeveloped capital markets [Vienna Initiative 2018]. Trimarium is a novel, but prospective, hastily gaining momentum flagship initiative of the CEE.

SUMMARY

The ESM and the CMU were presented as engines, decisive power of the EU, key strategic objectives, cornerstones of European Integration, and EU's sustainable growth. They are capable of delivering extensive macro-economic benefits to the EU and the individual Member States. The conclusion is, that the deepening of the integration of European markets and infrastructure, enhancing regulatory and supervisory convergence are likely to unbundle the full potential of the capital markets of the EU [AFME and AEB 2020; Bhatia *et al.* 2019a; S&P Global 2020]. However, as presented, only on the premise, that it requires further steps of convergence and integration [Bhatia *et al.* 2019a; Next CMU HLG 2019; Almeida *et al.* 2019; Demertzis *et al.* 2021]. As reasoned, the removal of diagnosed barriers and obstacles for the ESM and CMU completion are 'indispensable in order to move Europe forward' [Wieser 2020, p. 2]. Accomplishment of full benefits is only attainable, once identified obstacles and barriers would be subdued.

It is suggested to be accompanied by efforts and engagement of all stakeholders. Another conclusion was drawn regarding regional (CEE) and national level. The diagnosed significant divergence in ESM's--induced welfare gains (cross-countries and cross-region) must be mitigated promptly. Continuous comprehensive monitoring on the ESM and the CMU completion is needed on the EU-, regional- and national levels. Additionally, independent, cyclical evaluations of the of the CEE region advancements in catching-up with the Old-EU and in its involvement in the ESM and the CMU.

REFERENCES

Adamska, A., 2019: Modele rozwoju rynku kapitałowego w Państwach Europy Środkowo-Wschodniej, *Zeszyty Naukowe SGGW, Polityki Europejskie, Finanse i Marketing, s.* 7–21.

AFME, 2020: Capital Market Union: KPI- Third Edition. European Capital Markets - challenges and progress in 2020.

AFME, and AEB, 2020: *12th Annual Spanish Capital Markets Virtual Conference, in collaboration with AEB: 24-25 Feb 2021. 12th AFME's Spanish Capital Markets Conference Event Information* [online]. AFME; AEB [Accessed 8 December 2020].

Alcidi, C., Bodewig, C., and Preissl, B., 2018: *Economic Convergence or Divergence in the EU? An Interview on 3.10.2018. CEPS, ZBW Annual Conference of Intereconomics 2018* [online]. Centre for European Policy Studies.

Allen, C., Gasiorek, M., and Smith, A., 1998: The competition effects of the Single Market in Europe, *Economic Policy,* 13, s. 439–486.

Almeida, L. de, *et al.,* 2019: A Capital Market Union for Europe: September 2019 SDN/19/07. Backound Notes for SDN/19/07: International Monetary Fund.

Andritzky, J., 2007: Capital Market Development in a Small Country.The Case of Slovenia. Washington, D.C: International Monetary Fund.

Aussilloux, V., Emlinger, C., and Fontagné, L., 2011: What benefits from completing the Single Market?. CEPII Editorial office of the Centre d'études prospectives et d'informations internationales. Paris, France: Centre d'études prospectives et d'informations internationales.

Baele, L., Bekaert, G., and Schäfer, L., 2015: An anatomy of central and eastern European equity markets: EBRD.

Bahrke, J., and Lupini, L., 2019: Capital Markets Union: Commission reports on progress achieved ahead ofEuropean Council. IP/19/1632. Brussels.

Barroso, J., 2010: Mission letter from the President of the European Commission. Pres(2009) D/2250. *In: . A New Strategy For The Single Market. At The Service Of Europe's Economy And Society (Ref. Ares(2016)841541 - 17/02/2016). Report to the President of the European Commission José Manuel Barroso.* Frankfurt am M., s. 3–4.

Berggrun, L., Fuenzalida, D., and Mongrut, S., 2017: Capital Markets and Firm Performance in Emerging Economies, *Emerging Markets Finance and Trade,* 53, s. 2157–2158.

Bhatia, A., *et al.,* 2019a: A Capital Market Union for Europe. (IMF European Dept.): IMF.

Bhatia, A., Mitra, S., and Weber, A., 2019b: *IMF: A Capital Market Union for Europe: Why It's Needed and How to Get There September 10, 2019* [online]. IMF. Available from: https://blogs.imf.org/2019/09/10/a-capital-market-union-for-europe-why-its-needed-and-how-to-get-there/.

Black, B., 2001: The Legal and Institutional Preconditions for Strong Securities Markets, *UCLA Law Review,* 48, s. 781–855.

Brülhart, M., and Elliott, R., 1998: Adjustment to the European single market: inferences from intra-industry trade patterns, *Journal of Economic Studies,* 25, s. 225–247. Available from: https://www.emerald.com/insight/content/doi/10.1108/01443589810215360/full/pdfUR - https://www.emerald.com/insight/content/doi/10.1108/01443589810215360/full/html.

Bruter, M., 2005: Citizens of Europe? The Emergence of a Mass European Identity. 1st ed. New York: Palgrave McMillan.

C/2020/7535, 2020: Communication from the Commission Commission Interpretative Communication on the preparation, audit and publication of the financial statements included in the annual financial reports drawn up in accordance with Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF) 2020/C 379/01 C/2020/7535 OJ C 379, 10.11.2020, p. 1–7. C/2020/7535.

Campos, N., Coricelli, F., and Moretti, L., 2019: Institutional integration and economic growth in Europe, *Journal of Monetary Economics,* 103, s. 88–104.

Capello, R., 2018: Cohesion Policies and the Creation of a European Identity: The Role of Territorial Identity, *JCMS: Journal of Common Market Studies,* 56, s. 489–503. Available from: https://onlinelibrary.wiley.com/doi/full/10.1111/jcms.12611.

Caporaso, J., and Kim, M., 2009: The dual nature of European identity: subjective awareness and coherence, *Journal of European Public Policy*, 16, s. 19–42.

Chacha, M., 2013: Regional attachment and support for European integration, *European Union Politics*, 14, s. 206–227.

Checkel, J., and Katzenstein, P., 2011: European identity. 3rd ed. Cambridge: Cambridge University Press.

COM/2010/2020 final, 2010: European Commission Communication: EUROPE 2020: A strategy for smart, sustainable and inclusive growth. COM/2010/2020 final final Document 52010DC2020. Brussels: EC.

COM/2011/0206 final: European Commission Communication: Single Market Act Twelve levers to boost growth and strengthen confidence "Working together to create new growth". COM/2011/0206 final Document 52011DC0206: EC.

COM/2012/0573 final: European Commission Communication: Single Market Act II Together for new growth. COM/2012/0573 final Document 52012DC0573: EC.

COM/2020/590 final, 2020: European Commission Communication: Capital Markets Union for people and businesses-new action plan. COM (2020) 590 final Document 52020DC0590 24.9.2020. Brussels: EC.

COM/85/310 final (Vol.1985/0130), 1985: European Commisssion: Completing The Internal Market: White Paper From The Commission To The European Council (Milan, 28-29 June 1985). Publications Office of the European Union, CELEX : 51985DC0310, COMNAT : COM_1985_0310_FIN. Milan: European Commission.

Delivorias, A., 2020: Legislation Train Schedule: Action Plan on the CMU - Before 2021-01. 3 An Economy that Works for People. Brussels.

Demertzis, M., Domínguez-Jiménez, M., and Guetta-Jaenrenaud, L., 2021: Europe should not neglect its capital markets union. Policy Contribution Issue n ◎13/21 | June 2021: Bruegel.

Deutsche Börse Group, 2015: Principles for a European Capital Markets Union. Strengthening capital markets to foster growth. Frankfurt/Main: Deutsche Börse AG.

Dietl, M., 2020: Konferencja Giełd Trójmorza - Opening Speech of M. Dietl, the CEO, of the GPW w Warszawie. Cracow.

Directive 2013/50/EU, 2013: European Parliament And The Council: Directive 2013/50/EU of the European Parliament and of the Council of 22 October 2013 amending Directive 2004/109/EC of the European Parliament and of the Council on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading and Commission Directive 2007/14/EC laying down detailed rules for the implementation of certain provisions of Directive 2004/109/EC OJ L 294, 6.11.2013, p. 13–27. Transparency II Directive - OJ L 294, 6.11.2013 Transparency II.

Drwiłło, A., and Jurkowska-Zeidler, A., eds., 2017: System prawnofinansowy Unii Europejskiej. 15th ed. Warszawa: Wolters Kluwer.

Duisenberg, W., 2011: European Central Bank: The role of financial markets for economic growth. Economics Conference "The Single Financial Market: Two Years into EMU". Oesterreichische Nationalbank, Vienna.

Dunford, M., 1993: Regional Disparities in the European Community: Evidence from the REGIO Databank, *Regional Studies*, 27, s. 727–743.

EBRD, 1997: Transitional Report 1997. Enterprise Performance and Growth. London: EBRD.

EBRD, 2005: Transition Report 2005. Business in transition. London: EBRD.

EBRD, 2019: Transition Report 2019-20: Better Governance, Better Economies: EBRD (EBRD).

EC, 2018: Communication From The Commission To The European Parliament, The European Council, The Council, The European Economic And Social Committee And The Committee Of The Regions The Single Market In A Changing World A Unique Asset In Need Of Renewed Political Commitment. COM/2018/772 final 22.11.2018. Brussels: EC.

EC, 2019: European Commission: Delivering on the Capital Market Union. 190315 FS CMU. Brussels: EC.

EC, 2019: Memo 19/1928: Capital Markets Union: Political agreement on a stronger and more integrated European supervisory architecture, including on anti-money laundering. MEMO/19/1928. Brussels.

EC, 2020a: *European Commission: The European single market. https://ec.europa.eu/growth/single-market_en* [online]. EC. Available from: https://ec.europa.eu/growth/single-market_en.

EC, 2020b: *Growth and Investments: Capital markets union* [online]. European Commission. Available from: https://ec.europa.eu/info/business-economy-euro/growth-and-investment/capital-markets-union_en [Accessed 6 November 2020].

EC, 2020c: *The European Single Market: Single Market Act. Internal Market, Industry, Entrepreneurship and SMEs* [online]. European Commission. Available from: https://ec.europa.eu/growth/single-market/smact_en.

EC, 2020: Press release on the political agreement of 21 March 2019. IP/19/1655. Capital Markets Union. Political agreement on a stronger and more integrated European supervisory architecture, including on anti-money laundering. Brussels.

EC, 2022: *What is the euro area? The euro area consists of those Member States of the European Union that have adopted the euro as their currency.* [online]. European Commission. Available from: https://ec.europa.eu/info/business-economy-euro/euro-area/what-euro-area_en [Accessed 10 May 2022].

EC, and DGC, 2020: The European Union : what it is and what it does. European Commission Directorate-General for Communication. Published: 2020-02-01 Corporate author(s): Directorate-General for Communication (European Commission) Themes: Activities of the European Union. Brussels: European Commission; Directorate-General for Communication.

EPRS, 2019: Europe's Two Trillion Euro Dividend: Mapping the Cost of Non-Europe, 2019-24. European Parliament Think Tank. EPRS. European Added Value Unit PE 631.745 April 2019. Brussels: European Parliamentary Research Service.

ESMA, 2015: Public Statement: Improving the quality of disclosures in the financial statements. 2015/ESMA/1609, 27 Oct. 2015: ESMA.

ESMA, 2020: ESEF Reporting Manual Preparation of Annual Financial Reports in Inline XBRL. ESMA32-60-254rev. 09 July 2020: ESMA.

Europäische Wirtschaftsgemeinschaft, 1957: *Verlagsvertrag Zur Gründung Der Europäischen Wirtschaftsgemeinschaftrom, Den 25. März 1957. Treaty establishing the European Economic Community (The Treaty of Rome Document 11957E/TXT). Available from:* https://eur-lex.europa.eu/. Rome: Europäische Wirtschaftsgemeinschaft.

European Parliament, 2022: *European Parliament; European Commission: 40 years of EU enlargements - Who has joined so far? 2004- The EU after the fall of the wall* [online]. European Parliament; European Commission. Available from: https://www.europarl.europa.eu/external/html/euenlargement/default_en.htm [Accessed 10 May 2022].

Eurostat, 2020: Eurostat News Release 84/2020. Brussels: Eurostat.

Eurostat, 2022a: *Eurostat Glossary: Country codes. ISSN 2443-8219* [online]. Available from: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Country_codes [Accessed 5 May 2022].

Eurostat, 2022b: *Eurostat: Glossary: EU enlargements* [online]. Eurostat. Available from: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:EU_enlargements [Accessed 10 May 2022].

Ferrie, D., and Apostola, A., 2020: Capital Markets Union: Commission to boost Europe's capital markets. 24.09.2020 IP/20/1677. Brussels.

FESE, 2018: A Roadmap to Develop Smaller Capital Markets within the CMU. Brussels: FESE.

FESE, 2019: Federation of European Securities Exchanges: Capital Markets Union by 2024: A Vision for Europe. Brussels: Federation of European Securities Exchanges.

Figlestein, N., Polyakova, A., and Sandholtz, W., 2012: European Integration, Nationalism and European Identity, *Journal of Common Market Studies,* 50, s. 106. Available from: https://doi.org/10.1111/j.1468-5965.2011.02230.x.

Fligstein, N., 2001: INSTITUTIONAL ENTREPRENEURS AND CULTURAL FRAMES - The case of the European Union's Single Market Program, *European Societies,* 3, s. 261–287.

Fligstein, N., and Mara-Drita, I., 1996: How to Make a Market: Reflections on the Attempt to Create a Single Market in the European Union, *American Journal of Sociology,* 102, s. 1–33.

Franks, J., *et al.,* 2018: Economic Convergence in the Euro Area: Coming Together or Drifting Apart?: IMF.

GPW, 2020: *Three Seas Stock Exchanges Conference. 7.09.2020 - Kraków* [online]. GPW w Warszawie. Available from: https://www.gpw.pl/news?cmn_id=109926&title=Three+Seas+Stock+Exchanges+Conference.

Grbić, M., 2020: Stock market development and economic growth: the case of the Republic of Serbia, *Post-Communist Economies, s.* 1–16.

Grela, M., *et al.*, 2017: Is Central and Eastern Europe converging towards the EU-15? Warsaw: Narodowy Bank Polski.

HLF CMU, 2020: High Level Forum on the Capital Markets Union: A new Vision for Europe's capital markets: Final Report of the High Level Forum on the Capital Markets Union. June 2020. Brussels: High Level Forum on the Capital Markets Union.

Hoskisson, R., *et al.*, 2000: Strategy in Emerging Economies, *Academy of Management Journal,* 43, s. 249–267.

IFC, 2016: Developing domestic capital markets (IFC EMCompass Quick Take Note 1). Inter-Agency Task Force on Financing for Development. International Finance Corporation: UN.

Ilzkovitz, F., Dierx, A., and Kovacs, V., 2007: Steps towards a deeper economic integration: the Internal Market in the 21st century A contribution to the Single Market Review. KC-AI-07-271-EN-C European Communities, 2007. Bruxelles: European Commission Directorate-General for Economic and Financial Affairs.

In't Veld, J., 2019: The economic benefits of the EU Single Market in goods and services, *Journal of Policy Modeling,* 41, s. 803–818.

Iorgova, S., and Ong, L., 2008: The Capital Markets of Emerging Europe: Institutions, Instruments and Investors, *IMF Working Paper WP/08/103,* 08.

Ivanitsky, V., and Tatyannikov, V., 2018: Information Asymmetry in Financial Markets: Challenges and Threats, *Economy of Region,* 14, s. 1156–1167.

Kabza, M., 2017: Unia rynków kapitałowych w europejskim systemie finansowania: Narodowy Bank Polski.

Kamiński, K., 2020: *GPW: Podsumowanie Konferencji Giełd Trójmorza w Krakowie* [online]. Comparic Poland. Available from: https://comparic.pl/gpw-podsumowanie-konferencji-gield-trojmorza-w-krakowie/ [Accessed 21 October 2020].

Klaus, B., and Ferroni, F., 2015: Euro area business cyclesin turbulent times: convergence or decoupling? European Central Bank (ECB), Frankfurt a. M, *ECB Working Papers,* 1819.

Laeven, L., 2014: The Development of Local Capital Markets. Rationale and Challenges. Washington, D.C: IMF.

Lannoo, K., 2001: EU Securities Market Regulation: Adapting to the Needs of a Single Capital Market. Report of a CEPS Task Force. Brussels: CEPS Task Force on Updating EU Securities Market Regulation.

Lannoo, K., and Thomadakis, A., 2019: Rebranding Capital Markets Union: A market finance action plan. Report of a CEPS-ECMI Task Force. Brussels: CEPS - ECMI.

Lehmann, A., 2020: Emerging Europe and the capital markets union, *Bruegel Policy Contribution,* 2020 (Sept.) [Accessed 4 December 2020].

Lenain, P., 2000: Poland's successful transition: OECD.

Leonardi, R., 1993: The regions and the European Community. The regional response to the single market in the underdeveloped areas. Ed. by Robert Leonardi. The Regional Response to the Single Market in the Underdeveloped Areas. London - Portland: Frank Cass and Co. Ltd.

Mayer, T., Vicard, V., and Zignago, S., 2019: The cost of non-Europe, revisited*, *Economic Policy,* 34, s. 145–199.

Micossi, S., 2016: Thirty Years of the European Single Market. [First published by the College of Europe as Bruges European Policy Briefing No. 41/2016. Republished by CEPS] ISBN 978-94-6138-551-2. Brussels: CEPS.

Mion, G., and Ponattu, D., 2019: Estimating economic benefits of the Single Market for European countries and regions. May 2019. Gütersloh, Germany: Bertelsmann Stiftung.

Monti, M., 2010a: A New Strategy For The Single Market. At The Service Of Europe's Economy And Society (Ref. Ares(2016)841541 - 17/02/2016). Report to the President of the European Commission José Manuel Barroso. Frankfurt am M.: KfW Group.

Monti, M., 2010b: Report to the President of the European Commission José Manuel Barroso. Ref. Ares(2016)841541 - 17/02/2016. *In: . A New Strategy For The Single Market. At The Service Of Europe's Economy And Society (Ref. Ares(2016)841541 - 17/02/2016). Report to the President of the European Commission José Manuel Barroso.* Frankfurt am M., s. 5–107.

Morita, K., 2017: Economic Reforms and Capital Markets in Central Europe. London: Taylor and Francis.

Narayanaswamy, M., Blitzer, C., and Carvajal, A., 2017: The importance of local capital markets for financing development. No.112692. Washington, D.C.: World Bank Group - International Finance Corporation.

Next CMU HLG, 2019: Savings and Sustainable Investment Union. The Next Capital Market Union High-Level Group Final Report: Report to Ministers and presented to the Finnish Presidency: Next CMU High-Level Group.

OECD, 2018: Business Insights on Emerging Markets 2018. Paris: OECD; OECD DC.

OECD, and MSZ RP, 2016: OECD and Ministry of Foreign Affairs Republic of Poland: 20 Years of Partnership And Cooperation between Poland and the OECD. Poland and the OECD - A mutually beneficial partners: OECD Publishing.

OECD DC, 2018: OECD Development Centre: Perspectives on Global Development 2019. Rethinking Development Strategies. Paris: OECD Publishing.

Pelkmans, J., 2019: The single market remains the decisive power of the EU. Brussels: CEPS.

Pires, F., 2019: Non-banks in the EU: ensuring a smooth transition to a Capital Markets Union, *SUERF Policy Note,* October'18, s. 1–18.

Popławski, K., and Jakóbowski, J., 2020: W kierunku budowy bliższych powiązań: Trójmorze jako obszar gospodarczy. 2020th ed. Warsaw: Polski Instytut Ekonomiczny.

President of Poland, 2020: PAP via The official website of the President of the Republic of Poland: President: Three Seas project development serves entire EU (7 Sept. 2020). The official website of the President of the Republic of Poland [https://www.president.pl/en/news/art,1202,president-three-seas-project-development-serves-entire-eu.html] access: 20.10.2020.

Redłowska, K., ed., 2017: Adriatic-Baltic-Black Sea: Visions of Cooperation. Warsaw: Institute for Eastern Studies.

Reg (EU) 596/, 2014: European Parliament And The Council: Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC OJ L 173, 12.6.2014, p. 1–61. MAR - OJ L 173, 12.6.2014, p. 1–61, MAR.

Reiserer, A., 2019: Poland's capital market to underpin economic growth. Government adopts strategy for the sector.

Reuters, 2020: ECB's De Guindos says Eurozone growth in fourth quarter will be negative (November 6, 2020. 9:57 AM), *Reuters,* 2020.

S&P Global, 2020: The EU Capital Markets Union: Turning The Tide. Feb.25, 2020: S&P Global.

SEG, 2018: Polish Association of Listed Companies response proposal DRAFT. Position to the EC consultation on building a proportionate regulatory environment to support SME listing: SEG.

Skare, M., and Porada-Rochoń, M., 2019: Financial and economic development link in transitional economies: a spectral Granger causality analysis 1991–2017, *Oeconomia Copernicana,* 10, s. 7–35.

Streeck, W., and Schmitter, P., 1991: From National Corporatism to Transnational Pluralism: Organized Interests in the Single European Market, *Politics & Society,* 19, s. 133–164.

Tang, H., ed., 2000: Winners and losers of EU integration. Policy issues for Central and Eastern Europe. Washington, D.C.: World Bank.

Thomsen, P., 2018: A Financial Union for the Euro Area, *SUERF Policy Note,* October'18, s. 1–10.

Thomsen, P., ed., 2019: Speech: On Capital Market Finance in Europe: IMF.

Trubalski, A., 2016: Prawne aspekty implementacji prawa EU do sytemu prawnego RP. Warszawa: Wydawnictwo C.H. Beck.

Tucker, J., Pacek, A., and Berinsky, A., 2002: Transitional Winners and Losers: Attitudes toward EU Membership in Post-Communist Countries, *American Journal of Political Science,* 46, s. 557.

Underhill, G., 1997: The Making of the European Financial Area: Global Market Integration and the EU Single Market for Financial Services. *In: The New World Order in International Finance:* Palgrave Macmillan, London, s. 101–123.

Vienna Initiative, 2017: Vienna Initiative: New Working Group on Capital Markets Union for CESEE region. Brussels: Vienna Initiative; EIB; EC; EBRD; IMF; WBG; EBA.

Vienna Initiative, 2018: Report by the Working Group on Capital Markets Union. Endorsed by the Vienna Initiative Full Forum Meeting. London: Vienna Initiative; EIB; EC; EBRD; IMF; WBG; EBA.

Wieser, T., 2020: Preface (by the Chair of the High Level Forum on Capital Markets Union). *In: . High Level Forum on the Capital Markets Union: A new Vision for Europe's capital markets: Final Report of the High Level Forum on the Capital Markets Union. June 2020.* Brussels, s. 2–3.

World Bank, 1996: World development report 1996: From Plan to Market (English). Washington, D.C.: World Bank.

Wosion-Czoba, M., 2020: *Prezes GPW: naszym zadaniem jest promowanie możliwości inwestycyjnych w regionie Trójmorza (PAP). Gospodarka, 7.09.2020 13:32* [online]. PAP. Available from: https://www.pap.pl/aktualnosci/news%2C712532%2Cprezes-gpw-naszym-zadaniem-jest-promowanie-mozliwosci-inwestycyjnych-w [Accessed 20 November 2020].

Wyplosz, C., 1999: Macroeconomic Lessons from Ten Years of Transition. *In:* B. Pleskovic and J.E. Stiglitz, eds. *Annual World Bank Conference on Development Economics 1998.* Washington, D.C.: World Bank, s. 317–344.